

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 L-03 FRB-03 OMB-01

ITC-01 SP-02 AGRE-00 AID-05 CIAE-00 COME-00

INR-07 LAB-04 NSAE-00 OIC-02 SIL-01 STR-04

TRSE-00 CEA-01 NSC-05 SS-15 XMB-02 OPIC-03 INRE-00

SSO-00 USIE-00 AF-08 ARA-06 EA-07 NEA-10 NSCE-00

/124 W

-----302305Z 068984 /70

O R 302146Z MAR 77

FM USMISSION GENEVA

TO SECSTATE WASHDC NIACT IMMEDIATE 6315

INFO USMISSION USEC BRUSSELS

USUN NEW YORK 4518

OECD PARIS 9559

C O N F I D E N T I A L GENEVA 2434

EB/ORF/ICD FOR WENDT

E.O. 11652: GDS

TAGS: UNCTAD EGEN

SUBJ: UN CONFERENCE ON A COMMON FUND: MARCH 30 REVISED DRAFT

DECISION TEXT

1. SUMMARY: GROUP B CONTINUED TO STRUGGLE TO REACH SOME FORM OF COMMON POSITION IN RESPONSE TO G-77 DRAFT RESOLUTION (TEXT GENEVA 2344), AND SMALL GROUP DEVELOPED REVISED DRAFT DECISION TEXT, BASED ON U.S. AND OTHER AMENDMENTS TO EC TEXT OF MARCH 29 (GENEVA 2391). IT IS CLEAR THAT EC DECISION IN ROME TO ENDORSE ESTABLISHMENT OF A COMMON FUND HAS SUBSTANTIALLY CHANGED EARLIER OUTLOOK FOR THIS CONFERENCE. WHILE IT MIGHT OTHERWISE HAVE BEEN POSSIBLE TO ACHIEVE A RESULT WHICH NEITHER INVOLVED ANY EXTENSION OF A SUBSTANTIVE COMMITMENT TO A CF NOR PROVOKED POLITICAL CONFRONTATION, THE G-77 LEVEL OF EXPECTATIONS HAS CLEARLY BEEN HEIGHTENED BY NEWS OF EC ACTION AND OPTIONS PROBABLY NARROWED TO SUBSTANTIVE RESOLUTION WITH OR
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WITHOUT U.S. RESERVATION/EXPLANATION OR NON-SUBSTANTIVE, PURELY PROCEDURAL DECISION. PROSPECTS FOR LATTER DEPEND ON G-77 WISH TO AVOID CONFRONTATION WITH U.S. AT THIS SESSION.

2. INTENSIVE DISCUSSIONS MARCH 30 WITHIN GROUP B CONFIRM THAT HAVING TAKEN ITS DECISION IN ROME THE EC IS NOT WILLING NOR ABLE TO BACK AWAY IN THIS CONFERENCE FROM ITS COMMITMENT

THAT QUOTE THERE SHOULD BE A COMMON FUND UNQUOTE. THE QUESTION WHICH REMAINS TO BE RESOLVED IS WHETHER SUCH A COMMITMENT CAN BE SUFFICIENTLY CONDITIONED IN THE CONTEXT OF A GROUP B PROPOSAL TO MAKE IT ACCEPTABLE TO THE U.S., JAPAN, CANADA, AUSTRALIA AND POSSIBLY SWITZERLAND WITHOUT SO THREATENING THE SANCTITY OF THE EC DECISION AS TO CAUSE THE DUTCH AND PERHAPS OTHERS TO BLOCK EC ADHERENCE TO IT. AN OBVIOUSLY ADDITIONAL QUESTION WOULD BE WHETHER SUCH A CONDITIONED VERSION WOULD BE ACCEPTABLE TO THE G-77. DEPT IMMEDIATE VIEWS REQUESTED ON NEW TEXT OF DRAFT DECISION (PAPA 3 BELOW) AND RELATED GROUP B PAPER TO BE TABLED AS ITS OWN POSITION SEPARATELY AT THE CONFERENCE (SEPTTEL).
END SUMMARY.

3. IN A SMALL INFORMAL DRAFTING SESSION KEY GROUP B DELEGATIONS PRODUCED AS A NON-PAPER A POSSIBLE COMPROMISE FORMULATION FOR A CONFERENCE DRAFT DECISION WHICH CONTAINS THE EC LANGUAGE ON THE ESTABLISHMENT OF A COMMON FUND BUT ATTEMPTS TO SPECIFY THAT SUCH A FUND SHOULD BE BASED ON INDIVIDUALLY AGREED COMMODITY AGREEMENTS ETC. TEXT READS:

QUOTE:
WITHOUT PREJUDICE TO THE STATED POSITION OF INDIVIDUAL PARTICIPANTS, THE CONFERENCE:

AGREES THAT THERE (SHOULD) (COULD) BE A COMMON FUND.
IT SHOULD FUNCTION ON THE BASIS OF COMMODITY PRICE STABILIZATION AGREEMENTS DULY NEGOTIATED BETWEEN PRODUCING AND CONSUMING COUNTRIES. SUCH A FUND, SATISFACTORILY WORKED OUT AS A FINANCIALLY VIABLE MECHANISM AND ACCEPTED BY A WIDE RANGE OF CONFIDENTIAL

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COUNTRIES IN ALL REGIONAL GROUPS, SHOULD CONTRIBUTE TO THE ATTAINMENT OF THE OBJECTIVES OF THE INTEGRATED PROGRAM FOR COMMODITIES AS EMBODIED IN RESOLUTION 93(IV).
RECOGNIZES THAT INTER ALIA THE RESPECTIVE VIEWS AND POSITIONS OF THE VARIOUS PARTICIPANTS AS SET FORTH IN (G-77) AND (B) (D) PROVIDE A BASIS FOR THE FURTHER ELABORATION OF THE ELEMENTS OF A COMMON FUND.
DECIDES THAT THE CONFERENCE BE RECONVENED (IN/NOT LATER THAN UNQUOTE.

4. THE KEY ISSUE IN THIS TEXT IS WHETHER THE CONDITIONING LANGUAGE, PARTICULARLY THE LINK WITH INTERNATIONAL COMMODITY AGREEMENTS, MAKES IT POSSIBLE FOR THE U.S. (AND THE OTHER HOLD-OUTS WITHIN GROUP B) TO ACCEPT "SHOULD" RATHER THAN "COULD" IN THE FIRST OPERATIVE PARAGRAPH. (WE HAVE GIVEN NO INDICATION THAT WE WOULD BE ABLE TO DO SO). IF WE CANNOT ACCEPT "SHOULD", IT IS CLEAR THAT WE AND THE EC HAVE NO BASIS FOR A CONTINUED COMMON POSITION IN THIS CONFERENCE EXCEPT PERHAPS EVENTUAL AGREEMENT AT THE VERY END OF THE CONFERENCE ON A PURELY

PROCEDURAL RESOLUTION WITH NO SUBSTANTIVE COMMITMENT. EVEN THIS LATTER POSSIBILITY SEEMS UNLIKELY IF G-77 WISHES TO PRESS EC FOR ITS COMMITMENT TO THE FUND THROUGH WEAKENING ITS OWN DRAFT DECISION WHILE MAINTAINING THE COMMITMENT TO A FUND. ALTERNATIVE, WHICH MAY NOT BE TOO UNFAVORABLE FROM U.S. STANDPOINT IF PRESENTED IN LOW-KEY FASHION, WOULD BE FORMAL DECISION BY CONFERENCE WHICH U.S. COULD NOT ACCEPT AND FROM WHICH WE WOULD HAVE TO FILE A DISSENT IN THE FORM OF A RESERVATION OR EXPLANATION OF VOTE. AT THIS POINT, ALL OF THESE OPTIONS ARE STILL OPEN.

5. US DEL TOLD EC AND OTHER KEY GROUP B DELS WE WOULD AGREE TO CONSIDER THIS TEXT ON TWO ESSENTIAL CONDITIONS:

(1) THAT THE ELEMENTS OF CONDITIONALITY AS STATED IN DRAFT MUST REMAIN AND (2) THAT THEIR SUBSTANCE IS NON-NEGOTIABLE WITH THE G-77 THROUGH THE END OF THE CONFERENCE.

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6. DEPT'S IMMEDIATE VIEWS ON NEW TEXT REQUESTED SINCE WE WILL MEET TO CONSIDER IT AGAIN MORNING OF MARCH 31.SORENSEN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, RESOLUTIONS, FINANCIAL CONTRIBUTIONS, DEVELOPMENT PROGRAMS
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Sent Date: 30-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977GENEVA02434
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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Legacy Key: link1977/newtext/t1977038/aaaaaght.tel
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Litigation History:
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Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3167581
Secure: OPEN
Status: NATIVE
Subject: UN CONFERENCE ON A COMMON FUND: MARCH 30 REVISED DRAFT DECISION TEXT
TAGS: EGEN, US, UNCTAD
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/766f5ebb-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
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